Process	*Payment Cancellation*
Process Number	*AP-024*

Description of Process

This process permits users to cancel a payment by voiding a check or by stopping the payment. This enables payment re-issue if a check is lost or stolen, or a correction is necessary. Void payments apply to checks that are still in your control. Stop payments apply to checks that have already been sent out to a vendor and the agency must notify the bank to stop payment of that check. Options for payment cancellation include: Re-Open/Reissue, Re-Open/Put on Hold, or Do Not Reissue/Close Liability. Reissue allows you to reissue that payment during the next pay cycle. Put on Hold permits you to re-open the voucher but hold the payment from further processing allowing users to review the voucher. The Do Not Reissue/Close Liability selection will cancel the payment and close any open liabilities associated with it.

Input to Process

Valid reason for payment cancellation such as lost check, stolen check, check correction, etc. are discovered.

Output of Process

The output will be a cancelled payment that can be Reissued, Put on Hold, or have the Liability Closed.

Service Level Agreement Required? (if yes, provide a brief description)

N/A

PeopleSoft Panel Groups being Used

Function	Panel Group
Use	Administer Procurement – Create Payments – **Payment Cancellation**
Reports	**Payment Activity Report** lists detailed payment information sorted by reference number for system checks, manual checks, express checks, EFT and wire transfers. The full vendor address will be included on this report. (SAR0332)

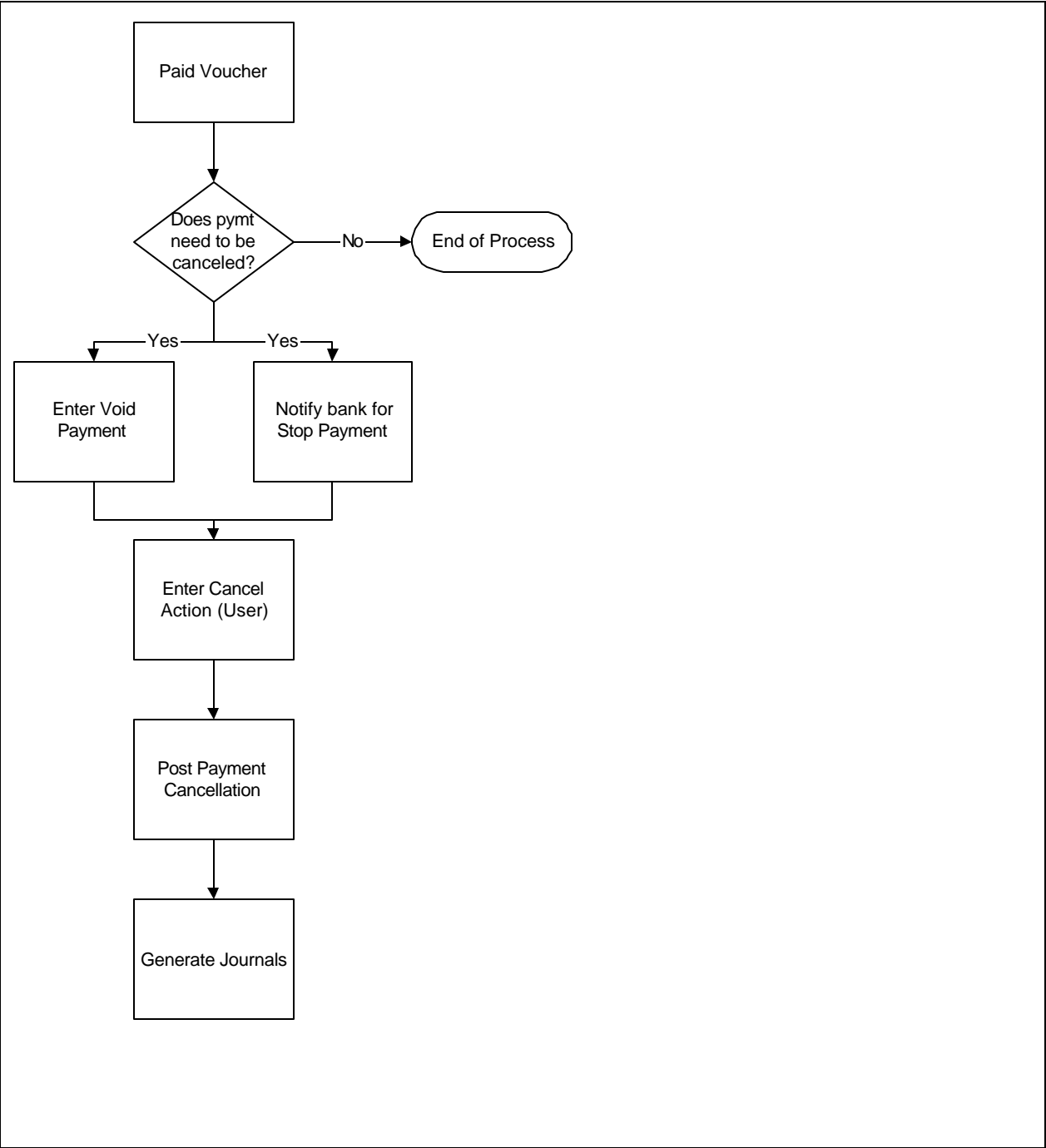### Business Process Description

Process Description	Responsibility (Agency/Centralized)
Step 1: **Receive Notification of Incorrect Payment** A vendor may notify Agency of a lost check, destroyed check, stolen check, check that has not been cashed within 90 days, etc.	Agency
Step 2: **Determine Type of Cancel Action** End user can record void payments, stop payments, or undo cancel on the Use – Payment Cancellation Panel. • Stop payments apply to checks that have already been sent out. Agency must notify bank to stop payment. • Void payments apply to payments that are still under your control. System will automatically reconcile the voided payment. • Undo cancel applies if you decide not to cancel a payment. This process must be done before cancelled payment is posted during nightly processing. The user should confirm the Date Cancelled is appropriate; this field defaults to current date.	Agency
Step 3: **Enter Cancel Action** When canceling a payment, the user will check one of the cancel actions: • Re-Open/Re-Issue – the voucher will be selected for payment during the next scheduled Pay Cycle for that bank account. • Re-Open/Hold – the voucher will be re-opened and only scheduled payments placed on hold. This allows the user to research/resolve any outstanding issues. • Do Not Re-Issue/Close – any remaining open liabilities associated with the voucher will be "relieved".	Agency
Step 4 : **Perform Nightly Processing** The payable posting program will run during nightly processing. The posting program must be run for any cancellation to take effect. The payment cancellation processing will either re-open or close the liability according to cancel action selected. The Journal Generation process takes accounting entries and formats them into summarized journal entries that are posted to the General Ledger for payments that were cancelled.	Financial Systems Solutions

Forms Used with Process

None

Process Flow Diagram (if appropriate):

```
                    ┌──────────────┐
                    │ Paid Voucher │
                    └──────┬───────┘
                           │
                           ▼
                        ◇ Does pymt ◇
                        need to be ──── No ──▶ ( End of Process )
                        canceled?
                           │
                ┌── Yes ───┴─── Yes ──┐
                ▼                      ▼
        ┌──────────────┐      ┌──────────────┐
        │ Enter Void   │      │ Notify bank  │
        │ Payment      │      │ for Stop     │
        │              │      │ Payment      │
        └──────┬───────┘      └──────┬───────┘
               └──────────┬──────────┘
                          ▼
                  ┌──────────────┐
                  │ Enter Cancel │
                  │ Action (User)│
                  └──────┬───────┘
                         ▼
                  ┌──────────────┐
                  │ Post Payment │
                  │ Cancellation │
                  └──────┬───────┘
                         ▼
                  ┌──────────────┐
                  │ Generate     │
                  │ Journals     │
                  └──────────────┘
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APPROVAL FORM

SIGNER	ROLE	APV	NOT APV	DATE
Kay Reid	DOAS Project Lead			03-03-99
Charmane Miller	THG Project Lead			03-03-99
Dorothy Tarrer	Design Analyst			03-03-99